



# Wood and Wood Products

## *Why Trade Matters*

### INDUSTRY SECTOR REPORT

#### General information on

**exports.** The United States exported \$6.3 billion of wood and wood products in 2000. Exports have been increasing in recent years, recovering from a five-year low of \$5.9 billion in 1998.

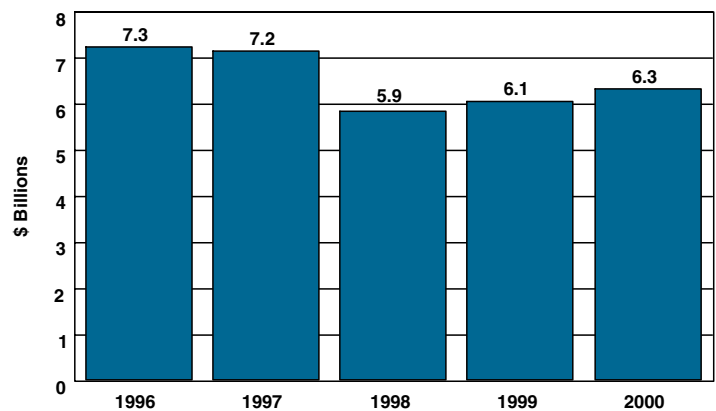
**Market development.** The Caribbean, Latin America, and Asia have the strongest export potential for U.S.

wood and wood products. However, tariff barriers are a major impediment in these markets and reductions would lead to better opportunities in Latin America and Asia.

**Tariffs.** Tariffs remain a formidable obstacle to U.S. wood product exports, especially in Asia and Latin America. Tariffs on wood products range from 10–20 percent in Asia and up to 20 percent in Latin America. These markets often practice tariff escalation, where less manufactured wood items are treated at a zero tariff but more sophisticated products receive a much higher rate. This distinction makes countries less willing to import highly manufactured wood products.

**Nontariff barriers.** Important nontariff barriers in this sector include restrictive building codes and standards. Some European and Latin American countries maintain biases against wood construction that are reflected in their building codes and standards.

U.S. Exports of Wood and Wood Products  
1996–2000





## Wood and Wood Products

**Small and medium-sized enterprises.** The wood and wood products industry has significant small and medium-sized business participation. These businesses are primarily concentrated in the hardwood industry. In 1998, small and medium-sized companies accounted for more than 80 percent of exporters and more than 60 percent of exports in the wood products sector.

**Employment opportunities.** In 2000, 832,000 workers were employed in the wood and wood products sector.

**Key producing states.** Arkansas, Georgia, Idaho, Maine, Minnesota, Montana, North Carolina, Oregon, Washington

**The sector.** The wood and wood products sector includes hardwood and softwood lumber, panel products, and basic wood materials.

## BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ NAFTA helped U.S. wood products exporters achieve greater access to the Canadian and Mexican markets. Exports to Mexico, in particular, have benefited from tariff reductions and improved customs procedures. U.S. wood product exports to Mexico have increased by 91 percent since 1996. Other bilateral trade agreements have also proven beneficial to the wood industry, notably the 1990 Agreement on Wood Products with Japan.